

## Sullivan County NH

Type of Meeting: County Board of Commissioners Minutes of the Regular Business Meeting & FY '10 County Audited Financials Exit Interview

Date/Time: Tuesday, October 5, 2010; 3:00 PM

Place: Remington Woodhull County Complex, County Administration Buildings, 14 Main Street, Newport NH 03773, 1<sup>st</sup> Floor, Commissioners' Conference Room.

Attendees: Commissioners Jeffrey Barrette - *Chair* and Ethel Jarvis - *Clerk*; Greg Chanis - *County Administrator*; Ted Purdy - *Sullivan County Health Care Administrator*; County High Sheriff Michael Prozzo; John Cressy - *Facilities Director*; Chuck Hersey - *UNH Sullivan County Forester (arrived later in meeting)*; and Sharon Callum - *Administrative Assistant/Minutes Taker*.

Absent from meeting: Commissioner Bennie Nelson - *Vice Chair*.

Special Guests: Frank Biron - *CEO of Melanson Heath & Co.*, Sheryl Stephens-Burke and Alyssa Simard - *Melanson Heath & Co. representatives*.

Public Attendees: Suzanne Gottling - *Delegation Executive Finance Committee Chair*, Peter Franklin - *Newport Resident*, and John Callum - *Unity Resident*.

3:00 The Chair, Jeffrey Barrette, opened the meeting and led all in the *Pledge of Allegiance*.

### Agenda Item No. 1. Fiscal Year 2010 Audited Financials - Exit Interview with Melanson Heath & Co.

Copies of the Fiscal Year 2010 Audited Financials were distributed [Audit on line at:

[http://www.sullivancountynh.gov/media/pdfs/financials\\_stmt\\_audit\\_fy10.pdf](http://www.sullivancountynh.gov/media/pdfs/financials_stmt_audit_fy10.pdf)  
]

Introductions were made to Melanson Heath & Co. (M.H. & Co.) representatives, who attended: Frank Biron - CEO, Sheryl Stephens-Burke and Alyssa Simard. The meeting was then turned over to M.H. & Co.

Mr. Biron complemented the County for major improvements they saw, the condition of the accounting books - all was in balance and books closed upon their arrival. He noted all County personnel they deal with take the audit and their recommendations seriously. He noted they made a few reclassifications within the financial statements; the County saw a major turn around for the numbers, and is now in a surplus - financials are in great

shape; the audit opinion – with one exception as it pertains to GASB Statement 45 where it requires all municipalities to have an actuarial evaluation performed to deal with cost post employment benefits – is a clean opinion. Due to the cost post employment benefit – the health care program retirees are eligible to participate in – the County must hire an actuarial firm; this is more of a timing issue, as they understand the County has contacted with the actuarial firm to perform the task.

Mrs. Stephens-Burke reviewed the:

- ✓ Independent Auditor's Report
- ✓ Statement of New Assets
- ✓ Page 10 – Statement of Activities
- ✓ Page 11 – Government Funds: the balance sheet
- ✓ Page 12 – Reconciliation of Government Fund
- ✓ Page 13 – State of Revenues, Expenditures and Changes in Fund Balance: the income statement
- ✓ Page 14 – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities.
- ✓ Page 15 – All Budgeted Funds: budget vs. actual
- ✓ Page 16 – Proprietary Fund: the nursing home
- ✓ Page 17 – Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Assets: the nursing home income statement
- ✓ Page 18 – Proprietary Fund Statement of Cash Flows
- ✓ Page 19 – Notes to the financial statements

Mr. Biron referred them back to the Fund Balance, and recommended they formalize a policy for the threshold to maintain in the Fund Balance – if they follow the policy, and maintain a reasonable balance, it should stabilize the tax rate; they provide other municipalities with policy guidelines and can do the same for the County. Mr. Chanis requested they send a draft policy.

Mr. Chanis asked if M. H. & Co. knew of any policies pertaining to establishing and maintaining Capital Reserves? Mr. Biron indicated "No". Commissioner Barrette asked if capital reserve funds must have specific projects in mind to be created? Mr. Chanis commented, based on his interpretation of the RSA's, they seem pretty broad on that aspect.

Mrs. Stephen-Burke drew their attention to the fact that, for the first time in a long time, there was no Management Letter issued. Mr. Biron noted it was very uncommon to have no Management Letter.

Mrs. Stephen-Burke noted, as the County received more than \$500,000 of federal funding within the fiscal year, a A-133 Single Audit, would be required on federally funded programs.

A general discussion commenced with the auditors and Mr. Purdy, regarding Page 17 operating expenses. It was noted that Mrs. Stephens-Burke and Mr. Purdy met earlier to discuss the "bed tax".

Mr. Chanis pointed out, in light of inquiries from Ms. Callum, when the County receives grants, after the Delegation passes the budget, those funds are noted in Fund 24, but no budget lines are created; accordingly, they are unable to pull reports from the software account system that reflect remaining line balances; this creates issues where lines could be overspent, but not noticed until the end of the month. The auditors recommended they establish a Fund 25 titled "Un-Budgeted Grants", for these types of grants.

#### Public Comment Regarding the Auditor

Mr. Peter Franklin noted he was pleased to hear the report, that it was much more pleasant than in the past. He noted he had a question regarding Page 25 and the deficit of roughly the same amount, notice the names changed, and asked what's happened in this deficit equity fund section? Mrs. Stephens-Burke confirmed the names did change, they closed some funds, this is result of reimbursement based grants, consider booking receivables to for next years audit. Mr. Chanis noted, if you look at the list, every one of these is an active grant, that there was a negative that offset the large positive. It was noted this is a timing issue, the services were provided and they received reimbursement, but not until the next fiscal year.

*3:36 Mr. Biron, Mrs. Stephens-Burke and Ms. Simard left the room.*

*3:41 Mr. Chuck Hersey entered the room.*

#### **Agenda Item No. 2. County Administrator's Report**

##### Agenda Item No. 2.a. 2011-2012 Proposed Timber Sale

Mr. Hersey distributed a 2011-2012 Proposed Timber Sales at Home Farm Sullivan County Unity, New Hampshire document, a Sullivan County Sugar bush Request For Proposal draft provided by Dave Kent of New England Forestry, and an aerial map of the property [Appendix B.]; the property is just north of the State salt shed off the 2<sup>nd</sup> NH Turnpike Road in Unity; they anticipate placing the timber cutting bid in the spring with cutting in 2011/2012. Hersey confirmed the Marshall pond logging project was sold, paid in full, and cutting should take place this winter. He anticipates the County will see between \$20,000-25,000 from oak sale, but would not have a more firm number until trees marked; they'd be able to harvest the oak again in 10-15 years; Hersey talked about Stand G – mostly pine. If the County approves moving forward, Dave Kent will mark the trees and advertise the RFP. Hersey confirmed loggers would only cut what is marked, and that Mr. Kent and the logger would layout the route of the logging road – Dave Kent's role is to supervise the timber project and make sure the County's goals are being met. Hersey noted their goal is to hold a sale every two years.

#### Claremont Beagle Club Lot

Mr. Hersey confirmed he met with Bruce Truell, of the Claremont Beagle Club, and will meet with him again Friday to tour the lot; there may be potential for a timber sale, but he wants to make sure the club's goals are the same as the County. Mr. Chanis confirmed he would schedule the issue to be discussed at the next Unity meeting, Oct. 19<sup>th</sup>. Mr. Hersey noted the club's goal is to manage the property for snowshoe hare, which seems to meet the County's goal; most timber is spruce and fir.

#### Biomass CHP Discussion

Comm. Barrette questioned how a biomass CHP project would affect the County's forestry plan? Mr. Hersey indicated he had not seen the feasibility study. Ms. Callum left the room and returned with a copy of the study for Mr. Hersey (also on line at the following link: [http://www.sullivancountynh.gov/media/pdfs/feasibilitystudy\\_march17\\_10.pdf](http://www.sullivancountynh.gov/media/pdfs/feasibilitystudy_march17_10.pdf) ). Mr. Hersey feels it might not make sense for the County to get into the business of creating their own chips, due to equipment costs, and may be better off to purchase. The group discussed the tonnage of chips needed: 4,400 tons per year / 1715 cords. Mr. Chanis pointed out that the bio-mass concept did not envision, solely, making chips, but a combination: buy and make. Mr. Hersey noted, by doing good forestry there is a significant amount available to harvest from the County's land to sustain this type of project.

#### Sugar Bush Lease

It was noted the sugar bush lease expires 1/1/2011, the County is not pleased with the current lease, and others have expressed an interest. The group reviewed a draft RFP. Mr. Hersey recommends keeping the general structure of the contract, changing it to a five (5) year lease term with option to renew, and increasing the fees; currently, the leasee pays .30 cents per tap, \$650 per year for the use of the sugar house, and provides the County with 15 gallons of syrup; the recommended increase might be: .50 cents to \$1 per tap, \$1,000 per year for use of building, and keep the donation of syrup at 15 gallons; County provides water and electricity. Mr. Chanis concurred on reducing lease term to five (5) years. Comm. Jarvis requested they check the new laws for the leasing of government county land. She also encouraged them to keep the County in mind - protect County first. Comm. Barrette questioned what types of improvements were necessary to have someone utilize the sugar lot? Mr. Hersey noted it would depend on whether the leasee gathered the sap and boiled it on the premises, or took it away; equipment on site needs updating and a new leasee would need to bring in their own evaporator, vacuum pump and tubing; the tubing on site would need to be taken down; and the building needs improvements. Mr. Cressy noted there was a lot to clean up from the current lease, and, hopefully, the leasee would do so. He also noted, structurally, the building is not in bad shape. Comm. Barrette would like to see whoever leases the property, do the entire process on site - it should be used for it's intended purpose. Hersey noted this would be a good time to thin the sugar bush stand, the lot

behind the building does not need it. He questioned if they had contacted the leasee to take down and remove the tubing? Comm. Barrette would like to postpone further discussions on the leasing until the next meeting when Comm. Nelson is present.

4:09 Motion: to approve the proposed timber sale at the County farm for 2011/2012, as presented by Chuck Hersey. Discussion: They will move forward to mark the timber to be cut. Comm. Jarvis requested the RFP include a statement "Timber Sale 1" and "Timber Sale 2".  
Made by: Jarvis. Seconded by: Barrette. Voice vote: all in favor.

Mr. Chanis and Mr. Hersey will review the final RFP for the sugar bush with the Board at their next meet in Unity.

4:13 Mr. Hersey left the room.

**Agenda Item No. 3. Commissioners Report**  
Commissioner Jarvis noted she attended the Claremont Chili Cook-Off Festival, and felt it was well done and well attended.

**Agenda Item No. 4. Public Participation**  
There was no public participation.

**Agenda Item No. 5. Meeting Minutes**  
Minutes were unavailable in typed format at this time.

**Agenda Item No. 6. & 7. Executive Session Minutes**  
The Chair tabled Agenda 6. & 7., Executive Sessions, and convened a special meeting for Thursday, October 7<sup>th</sup>, 8 AM, to discuss the two issues.

**Agenda Item No. 8. Adjournment**

4:15 Motion: to adjourn the meeting. Made by: Barrette. Seconded by: Jarvis. Voice vote: all in favor.

*Respectfully submitted,*



*Ethel Jarvis, Clerk  
Board of Commissioners*

EJ/s.j.c.

Date of meeting when minutes were approved: 10/19/10  
Date minutes were signed: 10/22/10



**Tuesday Oct 5, 2010**

**Sullivan County NH, Board of Commissioners  
Regular Business Meeting –AGENDA**

**Location: Newport Remington Woodhull County Complex**  
14 Main Street, Newport NH 03773

- |      |           |    |    |  |
|------|-----------|----|----|--|
| 3:00 | PM – 4:00 | PM | 1. | FY '10 Audit Exit Interview<br>Melanson Heath & Company, Frank Biron               |
| 4:00 | PM – 4:20 | PM | 2. | County Administrators' Report<br>a. 2011-2012 Proposed Timber Sale                 |
| 4:20 | PM – 4:35 | PM | 3. | Commissioners' Report  |
| 4:35 | PM – 4:50 | PM | 4. | Public Participation   |
| 4:50 | PM – 4:55 | PM | 5. | Meeting Minutes Review<br>a. Sep. 21 <sup>st</sup> , 2010 Meeting Minutes - Public |
| 4:55 | PM – 5:25 | PM | 6. | Executive Session Per RSA 91-A:3.II.c & d<br>Contract Negotiation Matter           |
| 4:25 | PM – 4:40 | PM | 7. | Executive Session Per RSA 91-A:3.II. a & c<br>Personnel Matter                     |
| 4:40 | PM        |    | 8. | Adjourn meeting  |



*Upcoming Events / Meetings:*

- **Oct. 8<sup>th</sup> Fri. Superior & Probate Court Furlough Day**
- **Oct. 19<sup>th</sup> Tue. Next Board of Commissioners Meeting**
  - **Time: 3 PM**
  - Place: Unity, Sullivan County Health Care, 1<sup>st</sup> Floor Frank Smith Living Room, 5 Nursing Home Drive
- **Oct. 25<sup>th</sup> – 26<sup>th</sup> Mon/Tue. NHAC Trade Show & Conference**

2011-2012 Proposed Timber Sales at Home Farm  
Sullivan County, Unity, New Hampshire

We are proposing two timber sales to occur on the Sullivan County Farm, Home Farm lot in 2011/2012.

**Proposed Timber Sale 1:** Stand K (59 acres, Oak/Hardwood) and Stand L (10 acres, White Pine).

**Timber sale goals:** The primary goals of the harvest are to improve overall timber quality and growth, establish/release regeneration for a future timber crop and improve wildlife habitat by maintaining mast and wildlife trees.

**Silvicultural prescription:** Timber quality of both stands is good. Stand L contains a high proportion of good quality small sawlog white pine. In Stand L, intermediate and suppressed white pine will be removed to provide more growing space for the vigorous, large crowned white pine. This will primarily involve the removal of low grade products such as pulp and cordwood.

Stand K contains fair to good quality mixed hardwood. This stand is dominated by oak and is overstocked. In Stand K, intermediate and suppressed trees, as well as trees with defects will be removed to provide growing space for healthy, high quality hardwood trees. Large crowned mast trees, such as oaks, will be retained to provide food for wildlife. Wildlife trees will be left throughout the harvest area to provide structural diversity and homes for various critters.

**Estimate of Gross Timber Sale Revenue:** \$20,000 to \$25,000

This is just an estimate based on estimated timber volumes and estimated stumpage prices. Actual revenue will depend on volume of wood marked and stumpage prices at the time of the sale.

**Proposed Timber Sale 2:** Stand G (60 acres, White pine/Hardwood)

**Silvicultural prescription:** Stand G is comprised of a large sawlog white pine overstory with hardwood sapling/pole understory. This stand has been thinned in the past removing the poor quality white pine. The remaining white pine overstory consists of good quality large sawlog trees that are mature and ready for harvest. Following the past harvest, a nice mixture of hardwood sapling and pole trees has become established. The proposed harvest would remove 90% of the white pine overstory to release the hardwood understory. Approximately 10 % of the mature pine would be left to diversify the stand structure and species composition and provide wildlife habitat.

**Estimate of Gross Timber Sale Revenue:** \$40,000

This is just an estimate based on estimated timber volumes and estimated stumpage prices. Actual revenue will depend on volume of wood marked and stumpage prices at the time of the sale.

Prepared by: Chuck Hersey, Sullivan County Extension Forester and Dave Kent, New England Forestry Consultants.



Sullivan County Sugarbush  
Request for Proposals

Sullivan County is requesting proposals to lease its sugarbush located at the Sullivan County Complex in Unity, New Hampshire.

**Description of Sugarbush:**

The Sullivan County Sugarbush consists of approximately 2,000 +/- taps on the Home Place parcel of the Sullivan County Farm and a sugarhouse. The vast majority of the taps are sugar maple. Most of the taps flow downhill to the sugarhouse. All new tubing will need to be installed by the lessee at their expense.

**Terms and Conditions of Lease:**

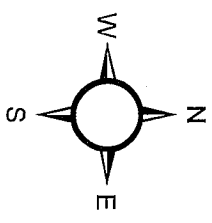
- Duration of lease will be for 5 years. At the end of 5 year lease term, lessee will have option to renew lease if the lessor agrees.
- Only 5/16" health spouts are allowed.
- Must follow tapping guidelines found in the publication *Good Forestry in the Granite State*. (Tap only trees 12 inches dbh and larger. Place one tap hole in trees 12 to 18 inches dbh and two tap holes in trees greater than 18 inches dbh. Place no more than two tap holes per tree. Make sure "drops" (tubing attached directly to the spout) are of sufficient length so tap holes can be placed on all sides of the tree. Remove all spouts from tap holes in a timely manner and no later than May 15.
- New tubing will need to be installed at the expense of the lessee. Maintenance and repairs to tubing shall be the responsibility of the Lessee. Ownership of the tubing shall be that of the Lessee. If lessee does not renew lease then they must remove all tubing.
- Lessee shall obtain a premises liability policy covering the leased premises.
- Lessee shall pay the lessor on an annual basis a per tap fee and a fee for the sugarhouse.
- Lessee shall also provide 15 gallons of Grade A maple syrup to the lessor each year.
- Lessor will provide electricity and water at lessor's expense.
- Premises must be maintained in an orderly fashion. Only maple sugaring equipment will be allowed on site. Any other equipment will require the written permission of the lessor.
- Lessee will need to provide their own evaporating equipment and fuel.

**Sullivan County Farm  
Unity, NH**

**2011 Potential  
Timber Sales  
Home Farm**

STANDING WHITE PINE  
THINNING/IMPROVEMENT CUT  
STAND L. 10 ACRES WHITE PINE  
THINNING/IMPROVEMENT CUT

STANDING WHITE PINE  
REMOVE MATURE PINE OVERSTORY TO RELEASE  
HARDWOOD SAPPLINGS AND POLES



625 11230

**2,500 Feet**  
1:10,000